2. Petitioners Offer No Legitimate Complaint About the Consumer Productivity Dividend

From the very beginning of price cap regulation, the Commission has included an 0.5 percent Consumer Productivity Dividend in order to "assign the first price cap productivity gains to customers in the form of lower rates."[20] In this proceeding, the Commission rejected proposals that the CPD be eliminated.

The Commission articulated several reasons for continuing the CPD. First, it found a continued need to "require incumbent LECs to transfer some portion of their unit cost reductions to their customers." Price Cap Performance Review Order, at ¶ 124. Moreover, the Commission expressed a continuing desire to encourage LEC productivity gains, especially in light of the increased expected as a result of its Access Charge Order. Id. at ¶¶ 125, 142.

Petitioners are incorrect in asserting that the Commission failed to justify setting the CPD at 0.5 percent. See Joint Petition, at 19. The Commission chose and explained the 0.5 percent level in the 1990 LEC Price Cap Order.[21] The decision here simply declined to eliminate

[20] Policy and Rules Concerning Rates for Dominant Carriers, CC Docket No. 87-313, 5 FCC Rcd 6786, 6796 (¶ 76) (1990) ["LEC Price Cap Order"], Erratum, 5 FCC Rcd 7664 (Com. Car. Bur. 1990), modified, 6 FCC Rcd 2637 (1991), aff'd sub nom. National Rural Telecom Ass'n v. FCC, 988 F.2d 174 (D.C. Cir. 1993).

[21] Particularly specious is petitioners' assertion that the Commission failed properly to explain "what the consumer productivity dividend is. . ." Joint Petition, at 18. The CPD was created and fully explained by the Commission in (continued...)

that CPD.[22] Moreover, because the CPD is simply a mechanism for sharing achievable productivity gains with consumers, the Commission necessarily justified its level in providing a lengthy explanation why the overall 6.5 percent X-Factor was a realistic overall productivity target. Price Cap Performance Order, at ¶ 142.

Petitioners criticize the Commission for including the CPD as part of a "one-time retroactive correction." Joint Petition, at 18. This argument misperceives what the Commission actually did, for at least two reasons. First, the Commission's decision makes absolutely no retroactive changes to the LECs revenues or earnings. It simply requires the LECs to compute future access tariffs as if the 6.5 percent X-Factor had been applied at the time of their 1996 annual tariff filings. Price Cap Performance Order, at ¶ 179. Because the X-Factor changes are prospective in nature, they are appropriately designed to encourage future productivity gains.

---

[21] (...continued)
1990. It has been extensively discussed in many Commission decisions over the years, and was reviewed by the Court of Appeals in Bell Atlantic Telephone Companies v. FCC, 79 F.3d 1195 (D.C. Cir. 1996). There is little room to feign ignorance of the CPD.

[22] Given that LECs have accepted an 0.5 percent CPD since 1990, it is fairly absurd for petitioners now to claim they will be irreparably injured in the absence of a stay at this time. Having survived the last six years with precisely that CPD, it is hard to imagine that petitioners will be irreparably harm by waiting a few more months for a decision on any challenge they wish to bring to the CPD.

Even if the Commission's order did apply the CPD retroactively (which it does not), it is noteworthy that the order simply continues the 0.5 percent CPD that has existed since 1990. Thus, the 0.5 percent CPD was already in place at the time of the 1996 annual tariff filings, and would be unchanged even if this Commission's decision applied retroactively.

Finally, petitioners assert without any supporting citation whatsoever that an 0.5 percent CPD is inappropriate because "even the base productivity goal of 6.0% was too high for the LECs to achieve. . ." Joint Petition, at 19 (emphasis in original). The Commission explained at length, however, why the overall 6.5 percent X-Factor was achievable. Price Cap Performance Order, at ¶ 142. Petitioners offer nothing to suggest that this reasoning was flawed or unsupported.

3. Petitioners Present No Meritorious Challenge to the Permanent Adjustment

Petitioners are simply incorrect that the Commission adopted its prospective adjustment to the X-Factor without balancing any "harm to LEC productivity incentives" against continued application of an "understated productivity" factor. Price Cap Performance Order, at ¶ 178; Cf. Joint Petition, at 19. To the contrary, the Commission gave a full explanation for its decision to apply a prospective adjustment to the X-Factor that was calculated as if the new X-Factor had taken effect in the 1996 tariff filings.[23]

Thus, the Commission noted that "allowing all of the past two years of understated productivity to become permanently ingrained in LEC PCIs would not strike the proper balance between stockholder and ratepayer interests." Price Cap Performance Review Order, at ¶ 179. On the other hand, the Commission noted some concern that LEC productivity interests would suffer if the X-Factor (despite being only an interim calculation) was perceived as too inconstant.

For these reasons, the Commission decided to apply the adjustment on a prospective-only basis, but to require LEC access tariffs to apply the adjustment as if it had taken effect one year earlier. Id. Given this detailed explanation, petitioners cannot convincingly argue that the Commission "admits harm and does not explain the basis for its ruling." Joint Petition, at 20.

In Bell Atlantic v. FCC, 79 F.3d 1195 (D.C. Cir. 1996), the Court approved precisely the same sort of adjustment. The Commission concluded that it had erred in adopting an X-Factor of 3.3 percent instead of 4.0 percent. Accordingly, carriers who had chosen the 3.3 percent X-Factor

---

[23] Petitioners are incorrect that the Commission failed to explain the reasoning behind the timing of its X-Factor adjustment. MCI believes the prospective adjustment should have been based on the assumption that the restated X-Factor had taken effect with the 1991 tariffs, or at a minimum in 1995. This would be consistent with the Commission's treatment of the "outlier" adjustment to PCI. See Price Cap Performance Review Order, at ¶ 177. MCI reserves its rights to pursue its claims in this regard.

were required to adjust their PCI's downward "so that their future rates would be at the level they would have been if the X-factor had been 4.0 percent all along." 79 F.3d at 1204-05. The Court approved this as a reasoned approach to applying a new X-Factor. 79 F.3d at 1204-05.

Petitioners are simply incorrect in arguing that the Bell Atlantic decision did not involve an X-Factor adjustment that required "LECs to restate prior historical tariff filings." Joint Petition, at 20 n.38.[24/] That is exactly what the Commission required in holding that PCIs should be adjusted so that "future rates would be at the level they would have been if the X-factor had been 4.0 percent all along." 79 F.3d at 1205.[25/]

[24/] Petitioners also seek to distinguish Bell Atlantic on the basis that "the calculations to make the adjustment are different in this instance." Joint Petition, at 20. But this misses the point. Although the actual math might be different, the adjustment here is indistinguishable in terms of its balance between prospective and retroactive application of a change in the X-Factor. Thus, Bell Atlantic is controlling authority, regardless of whether the numbers being computed are slightly different.

[25/] Citing Competitive Telecommunications Ass'n v. FCC, 87 F.3d 522, 531 (D.C. Cir. 1996), petitioners observe that Commission cannot escape judicial review of a policy by describing it as "interim" in nature. This proposition of law, while accurate, is entirely irrelevant. The Commission's decision to make certain earlier decisions concerning the X-Factor on an interim basis has already been upheld on appeal. See Bell Atlantic, 79 F.3d at 1203 ("the Commission's decision to stick with its original methodology on an interim basis scarcely amounted to a clear error in judgment"). The Commission decision at issue here is not interim, in nature.

In sum, Petitioners offer no legitimate complaint concerning the Commission's orders. They have no likelihood of success on the merits.

II. THE EQUITIES TIP DECISIVELY AGAINST A STAY.

Petitioners' arguments for granting a stay to preserve the status quo ignore the fundamental fact that Congress and the FCC have determined that the public interest will be best served by changing the status quo, in which petitioners and their fellow incumbent local monopolists control the entire local telephone market. Having failed to persuade Congress to leave their fiefdoms alone, petitioners now seek to undo, or at least delay, every effort by the Commission to bring needed reform. Petitioners' claims of irreparable harm are merely blatant attempts to hold on to monopoly profits, whatever the consequences for their captive customers or the public.

A. A Stay Is Not in the Public Interest.

Contrary to petitioners' blanket assertions, a stay would indeed harm the public.

First, continuing inflated access charges harms the public in the most direct manner: without justification, it drives up the cost of telephone service. Inflated access charges lead to inflated long distance prices because those charges affect the price of long distance service. Unjustified high prices are, or course, bad for consumers. The current reforms that petitioners so vigorously challenge are only a modest first step in bringing access charges into line with cost, and are occurring after many years of delay. Postponing even this modest reform would only defer further the day when consumers can begin to receive the benefits of lower prices. There is no threat to universal service from these modest reforms, and petitioners certainly have not identified any. The only adverse effect of this order will be on the monopoly profits petitioners continue to wring from the system -- and that is hardly the kind of harm that would justify the extraordinary remedy of a stay.

Second, another aspect of the relief sought here -- extending access charges to purchases of unbundled network elements -- would seriously impede the development of local competition, which Congress determined is in the public interest -- by eliminating an important incentive for potential competitors to enter the market. The prospect of avoiding access charges provides a significant incentive for long distance carriers to enter the local telephone market. A stay would effectively discourage their potential competitors from entering their market, depriving their customers of the benefits of competition. Indeed, if new entrants were forced to pay access charges on top of the statutorily required cost-based rates for network elements, it is unclear whether local entry using unbundled elements could be profitable.

Third, petitioners' proposal would not restore long distance customers to their pre-stay financial position if the Commission's orders were upheld. A stay would result in long distance companies paying higher access charges, and those charges would necessarily be borne by long distance callers. The effects of these higher rates cannot later be undone. Petitioners' proposal that the BOCs remit the improper access charges to long distance companies when the Commissions' orders are upheld does not restore long distance callers to their pre-stay position. The remedy relied on in these circumstances is for long distance companies to adjust their rates prospectively. This affects only their then-current customers, with the same inequity complained of by petitioners: today's customers pay too much but tomorrow's customers enjoy a windfall. See, e.g., WorldCom Inc. v. FCC, 20 F.3d 472 (D.C. Cir. 1994) (recognizing inadequacy of compensating future customers for past overcharges).[26/]

Fourth, a stay threatens distortions to the long distance market if any BOCs enter that market before the stay is lifted. High access charges provide more room for BOCs to disadvantage their long distance competition through access

---

[26/] Indeed, a far greater disparity between current and future customers can be predicted in the long distance market, where average turnover is 15 months for residential customers and 24 months for business, than in the local market where Petitioners and fellow BOCs continue to serve 98% or more of the subscribers in their areas.

These facts point up the extreme practical problems posed by the remedy petitioners propose. It is not practical for long distance companies to reimburse specific callers for overcharges paid during the stay period. The administrative costs associated with such an effort would be enormous.

charge-based price squeezes without being more efficient.[27] As a distortion imposed solely by regulation, this is not in the public interest which, as Congress has determined, is best served when disciplined by genuinely competitive markets.

B. Neither the Public Nor Petitioners Will Suffer Irreparable Harm If The Petition Is Denied.

First of all, there is no harm to the public interest from any conflict between the Eighth Circuit's stay and the Commission's Access Reform Order. As explained above, the so-called conflict is wholly illusory. Even if there were a conflict, it would not present petitioners with a Hobson's choice. If they comply with the Commission's order, they face no legal repercussions whatsoever.

Second, petitioners will suffer no irreparable harm by being denied, for some interim period, adequate explanations of the Commission's decisions, which is what petitioners claim is the problem. If any provisions are overturned on this basis, the Commission may well fully cure

---

[27] Because a BOC's long distance affiliate is wholly owned by the BOC, the affiliate can set rates based on the actual cost of providing access rather than the cost of access charges, because the affiliate in effect pays access charges to itself. Since the inflated access charges are a real cost to the BOC's long distance competitors, the BOC can afford to undercut the competition, especially for particular high volume customers, without actually pricing below cost. This is not merely hypothetical. For example, NYNEX's out-of-region long distance offerings in Arizona and Florida advertise lower prices for calls where it will collect the terminating access charges (e.g., to New York and Massachusetts) than for calls where it will not.

these problems by explaining in yet more detail how its conclusions were reached. Any harm petitioners suffered from being deprived of this information will then be remedied.

Third, petitioners will suffer no irreparable harm from losing customers, based on their obligation to lease competitors unbundled elements without imposing access charges, <u>unless they so choose</u>. The harm petitioners claim -- loss of customers by being underpriced by competitors -- is solely within their own control. To the extent that they are concerned with being underbid with respect to access charges, they are free under the Commission's price cap to charge less. To the extent that they are concerned with being underbid with respect to retail rates, they are equally free, if they are regulated by price caps, to charge less, and if they are regulated by rate of return, to ask permission to charge less -- a request unlikely to be denied.

Finally, the legal and factual premises for petitioners' claims of irreparable loss of revenues are flawed. As a matter of law, neither the Commission's current price cap nor its former one <u>entitles</u> petitioners to the revenues gained from charging the highest prices permitted. The caps simply prohibit petitioners from charging more. Were there significant competition in the local telephone market today, petitioners would likely charge significantly less than the cap. Indeed, petitioners admit that competition, when it exists, would prevent them from taking advantage of a higher cap. Thus, the Commission's previous price cap is useful to petitioners only if they can impose monopoly pricing.

Boiled down, petitioners irreparable harm argument is merely a grab for monopoly profits in truculent defiance of the Telecommunications Act. In light of Congress' legislative determination that BOC monopoly profits were harmful to the public, and its specific delegation to the Commission of authority to effect Congress's plan to eliminate them, petitioners cannot be said to have a legal right to such profits during whatever interim period the implementation of Congress' plan requires.

In any event, even if petitioners had such a right, it is fantasy to claim that its losses will be irreparable because the local telephone markets will be highly competitive by the time their challenge can be decided. Almost 1 1/2 years after the Telecommunications Act became law, the number of local telephone subscribers in a BOC region served by a competing carrier is trivial. Even in the business market, CLECs collect only $1.9 billion of local telephone revenues; the ILECs, in contrast, collect $94 billion. See The Yankee Group, The Unbearable Lightness of Local Competition, 14 Consumer Communications White Paper, at 2 (1997) ("Local Competition"). In Michigan, for example, competing carriers serve less than 1.5% of the state's local exchange customers. Warren-Bolton/Baseman Aff. ¶ 68 & n.52. (MCI Response to Ameritech 271 Application). Competing carriers receive less than .3 percent of the access minutes that MCI, for example, terminates in its area. Id. Thus, Ameritech still controls 98.5 to 99.2 percent of the market, which most likely provides it a similar percentage of originating access charges. And, if MCI's customers are typical, Ameritech receives 99.7 percent of the terminating access charges collected in the state. Similarly, in Oklahoma, CLECs receive less than one percent (.65%) of the access minutes MCI terminates. See MCI Comments on SBC 271 Application at 35 (May 1, 1997). See also Hultquist Declaration (June 9, 1997) (attached hereto as Exhibit 1) (in the vast majority of states, CLECs receive far less than 1% of the access minutes MCI terminates).

The only plausible prediction, based on the actual marketplace, is that petitioners would have no difficulty recouping its lost monopoly profits if required to do so through a prospective price cap hike. Indeed, the recent Yankee Group study predicted that in the year 2000, CLECs would still serve only 3.6% of the local telephone market. Local Competition at 5. In addition, petitioners themselves acknowledge that any recovery to which they may be entitled may well be available through retroactive adjustments. See Joint Petition, at 23 n.45, 25 n.48. Analogous precedent suggests that the Commission under these circumstances has the remedial power to impose retroactive rate adjustments on petitioners' long distance customers. See Public Utils. Comm'n of California v. FERC, 988 F.2d 154 (D.C. Cir. 1993) (agency may order retroactive rate adjustments when earlier order reversed on appeal); Natural Gas Clearing House v. FERC, 965 F.2d 1066 (1992) (same). It is undisputed that any actionable harm to petitioners recoverable through retroactive adjustments is not irreparable. See Joint Petition, at 23.

CONCLUSION

Petitioners' request for a stay should be denied.

Respectfully submitted,

DONALD B. VERRILLI, JR.
ANTHONY C. EPSTEIN
PAUL M. SMITH
CARL S. NADLER
NORY MILLER
Jenner & Block
601 Thirteenth Street, NW
Washington, D.C. 20005
(202)639-6000

JONATHAN B. SALLET
BRADLEY C. STILLMAN
MCI Communications, Inc.
1801 Pennsylvania Avenue, NW
Washington, D.C. 20006

ATTORNEYS FOR
MCI TELECOMMUNICATIONS, INC.

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Access Charge Reform	)	CC Docket No. 96-262
	)	
Price Cap Performance Review for Local Exchange Carriers	)	CC Docket No. 94-1
	)	

DECLARATION OF HENRY G. HULTQUIST

I, Henry G. Hultquist, declare as follows: 1. I am a Policy Analyst at MCI in the Market Strategies and Policy Group. I am responsible for providing analysis of possible impacts to MCI and the telecommunications industry of changes and potential changes in federal and state telecommunications regulation. In the course of my duties, I frequently gather and analyze data regarding MCI's access costs and methods.

2. I have a B.S.F.S. in Economics from Georgetown University and a J.D. from the George Mason University School of Law. I graduated from George Mason in May of 1995. I have held my current position since July of 1996. Before then, my most recent position was as an intern for the Honorable Royce Lamberth, United States District Court for the District of Columbia.

3. The purpose of my declaration is to provide statistics concerning the state of competition in the local telecommunications markets. Specifically, I will supply information about the number of long-distance access minutes that MCI has terminated to the regional Bell operating companies ("RBOCs"), other incumbent local exchange carriers ("ILECs"), and competitive local exchange carriers ("CLECs").

4. I have attached a report which summarizes those statistics for all fifty states. The report summarizes MCI's terminating switched access minutes for April 1997. The minutes reported represent both interstate and intrastate terminating minutes. The data show that in only two states (Massachusetts and New York) do CLECs account for more than one percent (1.0%) of MCI's terminating switched access minutes. In the majority of states,

CLECs account for less than one tenth of a percent (0.1%) of MCI's terminating switched access minutes.

I declare, under penalty of perjury, that the foregoing is true and correct, to the best of my knowledge and belief. Executed on June 9, 1997.

Henry G. Hultquist

Summary

State	Total	RBOC	%	CLEC	%
AK	10,082,822				
AL	63,264,465	47,821,017	75.59%	11,283	0.02%
AR	45,213,926	28,909,020	63.94%	897	0.00%
AZ	85,616,568	76,468,122	89.31%	4,003	0.00%
CA	660,271,851	500,468,124	75.80%	1,170,713	0.18%
CO	84,320,332	80,777,404	95.80%	11	0.00%
CT	74,294,633	2,120,476	2.85%	145,181	0.20%
DC	23,311,183	23,281,860	99.87%	29,323	0.13%
DE	13,374,522	13,374,522	100.00%	0	0.00%
FL	341,172,331	188,930,058	55.38%	844,185	0.25%
GA	143,361,912	117,708,081	82.11%	491,086	0.34%
HI	14,726,290				
IA	73,828,623	42,271,520	57.26%	34,088	0.05%
ID	24,656,134	14,969,072	60.71%	0	0.00%
IL	251,100,183	189,551,119	75.49%	1,827,831	0.73%
IN	96,494,948	53,724,289	55.68%	0	0.00%
KS	50,520,879	38,913,063	77.02%	0	0.00%
KY	61,657,187	32,035,394	51.96%	0	0.00%
LA	64,140,575	57,233,112	89.23%	63,495	0.10%
MA	120,069,897	118,447,455	98.65%	1,492,132	1.24%
MD	102,095,045	101,516,636	99.43%	151,097	0.15%
ME	19,348,022	15,480,962	80.01%	0	0.00%
MI	164,767,324	132,907,346	80.66%	703,606	0.43%
MN	101,036,568	75,719,624	74.94%	0	0.00%
MO	98,853,856	64,331,506	65.08%	1,702	0.00%
MS	33,817,686	30,995,909	91.66%	11,291	0.03%
MT	19,800,131	12,385,457	62.55%	0	0.00%
NC	154,703,976	75,892,563	49.06%	47,523	0.03%
ND	20,474,813	13,639,431	66.62%	0	0.00%
NE	41,340,041	21,028,831	50.87%	0	0.00%
NH	25,374,599	23,389,961	92.18%	0	0.00%
NJ	185,388,172	179,362,238	96.75%	229,145	0.12%
NM	29,058,429	24,157,273	83.13%	0	0.00%
NV	35,248,864	9,013,194	25.57%	0	0.00%
NY	372,309,915	324,918,813	87.27%	3,956,661	1.06%
OH	204,026,484	110,559,431	54.19%	83,215	0.04%
OK	54,731,362	42,812,684	78.22%	388,464	0.71%
OR	57,042,791	35,776,549	62.72%	175,843	0.31%
PA	215,239,605	157,817,436	73.32%	397,930	0.18%

RI	16,495,843	16,490,411	99.97%	5,432	0.03%
SC	66,196,646	40,686,295	61.46%	16,481	0.02%
SD	20,285,225	14,262,362	70.31%	0	0.00%
TN	97,109,933	75,733,321	77.99%	79,238	0.08%
TX	322,223,087	231,117,322	71.73%	345,179	0.11%
UT	32,267,538	28,953,515	89.73%	49,796	0.15%
VA	150,487,897	110,880,755	73.68%	240,674	0.16%
VT	12,566,626	10,000,707	79.58%	0	0.00%
WA	101,742,024	63,171,159	62.09%	318,866	0.31%
WI	93,050,890	58,857,026	63.25%	90,345	0.10%
WV	26,913,293	20,562,428	76.40%	17,349	0.06%
WY	10,747,335	8,193,936	76.24%	2	0.00%
	5,186,223,281	3,757,618,789	72.45%	13,424,067	0.26%

CERTIFICATE OF SERVICE

I, Donald B. Verrilli, Jr., hereby certify that the forgoing "Opposition of MCI to the Joint Petition for a Partial Stay," has been served June 9, 1997, to the Parties of Record.

Donald B. Verrilli, Jr.

June 9, 1997

COMPETITIVE PRICING DIVISION (2 CYS)
COMMON CARRIER BUREAU
ROOM 518
1919 M STREET NW
WASHINGTON DC 20554

INTERNATIONAL TRANSCRIPTION SERVICE
ROOM 640
1990 M STREET NW
WASHINGTON DC 20036

GEORGIA PUBLIC SERVICE COMMISSION
ATTENTION: MR BB KNOWLES
DIRECTOR UTILITIES DIVISION
244 WASHINGTON STREET SW/SOB – SUITE 266
ATLANTA GEORGIA 30334-5701

LYMAN C WELCH
190 S LASALLE STREET #3100
CHICAGO IL 60603

PUBLIC UTILITY COMMISSION OF OREGON
550 CAPITOL ST NE
SALEM OR 97310-1380

PUBLIC UTILITY COMMISSION OF TEXAS
1702 N CONGRESS AVE
P O BOX 13326
AUSTIN TX 78711-3326

GVNW INC/MANAGEMENT
KENNETH T BURCHETT
VICE PRESIDENT
7125 SW HAMPTON
PORTLAND OR 97223

PENNSYLVANIA INTERNET SERVICE PROVIDERS
SCOTT J RUBIN ESQ
3 LOST CREEK DRIVE
SELINSGROVE PA 17870

PUBLIC SERVICE COMMISSION OF THE DISTRICT
OF COLUMBIA
LAWRENCE D CROCKER III
ACTING GENERAL COUNSEL
717 14TH STREET NW
WASHINGTON DC 20005

NORTHERN ARKANSAS TELEPHONE COMPANY INC
STEVEN G SANDERS - PRESIDENT
301 EAST MAIN STREET
FLIPPIN AR 72634

AMERICAN LIBRARY ASSOCIATION
CAROL C HENDERSON
EXECUTIVE DIRECTOR
ALA WASHINGTON OFFICE
1301 PENNSYLVANIA AVENUE NW SUITE 403
WASHINGTON DC 20004

ALLIED ASSOCIATED PARTNERS LP
ALLIED COMMUNICATIONS GROUP
GELD INFORMATION SYSTEMS
CURTIS T WHITE
MANAGING PARTNER
4201 CONNECTICUT AVENUE NW - #402
SUITE 402
WASHINGTON DC 20008-1158

EDWARD HAYES JR ESQ
1155 CONNECTICUT AVENUE NW
THIRD FLOOR
WASHINGTON DC 20036

RONALD DUNN
PRESIDENT
INFORMATION INDUSTRY ASSOCIATION
1625 MASSACHUSETTS AVENUE NW
SUITE 700
WASHINGTON DC 20036

DANIEL J WEITZNER
ALAN B DAVIDSON
CENTER FOR DEMOCRACY AND TECHNOLOGY
1634 EYE STREET NW
SUITE 1100
WASHINGTON DC 20006

JOSEPH S PAYKEL
ANDREW JAY SCHWARTZMAN
GIGI B SOHN
MEDIA ACCESS PROJECT
1707 L STREET NW
SUITE 400
WASHINGTON DC 20036

GARY M EPSTEIN
JAMES H BARKER
LATHAM & WATKINS
COUNSEL FOR BELLSOUTH CORPORATION &
BELLSOUTH TELECOMMUNICATIONS INC
1001 PENNYSLVANIA AVENUE NW
SUITE 1300
WASHINGTON DC 20004-2505

CITIZENS UTILITIES COMPANY
RICHARD M TETTELBAUM
ASSOCIATE GENERAL COUNSEL
SUITE 500 1400 16TH STREET NW
WASHINGTON DC 20036

JACK KRUMHOLTZ
LAW AND CORPORATE AFFAIRS DEPARTMENT
MICROSOFT CORPORATION
SUITE 600
5335 WISCONSIN AVENUE NW
WASHINGTON DC 20015

NATIONAL CABLE TELEVISION ASSOCIATION INC
DANIEL L BRENNER
DAVID L NICOLL
1724 MASSACHUSETTS AVENUE NW
WASHINGTON DC 20036

EXCEL TELECOMMUNICATIONS INC
THOMAS K CROWE
MICHAEL B ADAMS
LAW OFFICES OF THOMAS K CROWE PC
2300 M STREET NW
SUITE 800
WASHINGTON DC 20037

CABLE & WIRELESS INC
RACHEL J ROTHSTEIN
8219 LEESBURG PIKE
VIENNA VA 22182

DANNY E ADAMS
EDWARD A YORKGITIS JR
KELLEY DRYE & WARREN LLP
1200 19TH STREET NW SUITE 500
WASHINGTON DC 20036

TIMOTHY R GRAHAM
ROBERT G BERGER
JOSEPH SANDRI
WINSTAR COMMUNICATIONS INC
1146 19TH STREET NW
WASHINGTON DC 20036

DANA FRIX
MARK SIEVERS
SWIDLER & BERLIN CHTD
WINSTAR COMMUNICATIONS INC
3000 K STREET NW SUITE 300
WASHINGTON DC 20007

DANA FRIX
TAMAR HAVERTY
SWIDLER & BERLIN CHARTERED
COUNSEL FOR TELCO COMMUNICATIONS GROUP INC
3000 K STREET NW SUITE 300
WASHINGTON DC 20007

AMERICA ONLINE INC
WILLIAM W BURRINGTON
JILL LESSER
COUNSEL FOR AMERICA ONLINE INC
1101 CONNECTICUT AVENUE NW
SUITE 400
WASHINGTON DC 20036

DONNA N LAMPERT
JAMES A KIRKLAND
JENNIFER A PURVIS
MINTZ LEVIN COHN FERRIS GLOVSKY AND POPEO P C
COUNSEL FOR AMERICA ONLINE INC
701 PENNSYLVANIA AVENUE NW
SUITE 900
WASHINGTON DC 20004

MICHAEL J SHORTLEY III
ATTORNEY FOR FRONTIER CORPORATION
180 SOUTH CLINTON AVENUE
ROCHESTER NEW YORK 14646

MICHAEL S FOX
DIRECTOR REGULATORY AFFAIRS
JOHN STAURULAKIS INC
6315 SEABROOK ROAD
SEABROOK MARYLAND 20706

ROBERT S TONGREN
CONSUMERS' COUNSEL
OHIO CONSUMERS' COUNSEL
77 SOUTH HIGH STREET 15TH FLOOR
COLUMBUS OHIO 43266-0550

NATIONAL EXCHANGE CARRIER ASSOCIATION INC
JOANNE SALVATORE BOCHIS
PERRY S GOLDSCHEIN
100 SOUTH JEFFERSON ROAD
WHIPPANY NEW JERSEY 07981

OZARKS TECHNICAL COMMUNITY COLLEGE
P O BOX 5958
SPRINGFIELD MO 65801

SDN USERS ASSOCIATION INC
P O BOX 4014
BRIDGEWATER NJ 08807

CHARLES D GRAY
JAMES BRADFORD RAMSAY
NATIONAL ASSOCITION OF REGULATORY
UTILITY COMMISSIONERS
1201 CONSTITUTION AVENUE SUITE 1102
POST OFFICE BOX 684
WASHINGTON DC 20044

MICHAEL S PABIAN
LARRY A PECK
COUNSEL FOR AMERITECH
ROOM 4H82
2000 WEST AMERITECH CENTER DRIVE
HOFFMAN ESTATES IL 60196-1025

TCA INC
TELECOMMUNICATIONS CONSULTANTS
F STEPHEN LAMB MAS MANAGER
3617 BETTY DRIVE
SUITE 1
COLORADO SPRINGS CO 80917-5909

SCOTT L SMITH
VICE PRESIDENT OF
ALASKA TELEPHONE ASSOCIATION
4341 B STREET SUITE 304
ANCHORAGE AK 99503

WAYNE LEIGHTON PHD
SENIOR ECONOMIST
CITIZENS FOR A SOUND ECONOMY FOUNDATION
1250 H STREET NW SUITE 700
WASHINGTON DC 20005

BETTY D MONTGOMERY
ATTORNEY GENERAL OF OHIO
STEVEN T NOURSE
ASST ATTY GENERAL
PUBLIC UTILITIES SECTION
180 EAST BROAD STREET
COLUMBUS OH 43215-3793

ICG TELECOM GROUP INC
CINDY Z SCHONHAUT
9605 EAST MAROON CIRCLE
ENGLEWOOD CO 80112

ALBERT H KRAMER
DICKSTEIN SHAPIRO MORIN & OSHINSKY LLP
ATTORNEY FOR ICG TELECOM GROUP INC
2101 L STREET NW
WASHINGTON DC 20037-1526

RONALD J BINZ – PRESIDENT
DEBRA R BERLYN – EXECUTIVE DIRECTOR
JOHN WINDHAUSEN JR – GENERAL COUNSEL
COMPETITION POLICY INSTITUTE
1156 15TH STREET NW SUITE 310
WASHINGTON DC 20005

GENERAL COMMUNICATION INC
KATHY L SHOBERT
DIRECTOR FEDERAL AFFAIRS
901 15TH STREET NW
SUITE 900
WASHINGTON DC 20005

MCI TELECOMMUNICATIONS CORPORATION
BRADLEY C STILLMAN – SENIOR COUNSEL
1801 PENNSYLVANIA AVENUE NW
WASHINGTON DC 20006

SPRINT CORPORTION
LEON M KESTENBAUM
JAY C KEITHLEY
H RICHARD JUHNKE
1850 M STREET NW 11TH FLOOR
WASHINGTON DC 20036

WORLDCOM INC
CATHERINE R SLOAN
1120 CONNECTICUT AVENUE NW
WASHINGTON DC 20036-3902

WORLDCOM INC
RICHARD J HEITMANN
515 EAST AMITE
JACKSON MS 39201-2702

ALEX J HARRIS
WORLDCOM INC
33 WHITEHALL STREET
15TH FLOOR
NEW YORK NY 10004

PETER A ROHRBACH
DAVID L SIERADZKI
F WILLIAM LEBEAU
HOGAN & HARTSON L.L.P.
555 13TH STREET NW
WASHINGTON DC 20004-1109

AMERICAN PETROLEUM INSTITUTE
KELLER AND HECKMAN LLP
WAYNE V BLACK
C DOUGLAS JARRETT
SUSAN M HAFELI
PAULA DEZA
1001 G STREET NW
SUITE 500 WEST
WASHINGTON DC 20001

AD HOC TELECOMMUNICATIONS USERS COMMITTEE
COLLEEN BOOTHBY
JAMES S BLASZAK
KEVIN S DILALLO
SASHA FIELD
LEVINE BLASZAK BLOCK & BOOTHBY
1300 CONNECTICUT AVENUE NW
SUITE 500
WASHINGTON DC 20036

COMPETITIVE TELECOMMUNICATIONS ASSOCIATION
GENEVIEVE MORELLI
EXECUTIVE VICE PRESIDENT
AND GENERAL COUNSEL
1900 M STREET NW SUITE 800
WASHINGTON DC 20036

ROBERT J AAMOTH
JONATHAN E CANIS
REED SMITH SHAW & MCCLAY
ATTORNEYS FOR
COMPETITIVE TELECOMMUNICATIONS ASSOCIATION
1301 K STREET NW
SUITE 1100 - EAST TOWER
WASHINGTON DC 20005

CHARLES C HUNTER
CATHERINE M HANNAN
HUNTER & MOW PC
TELECOMMUNICATIONS RESELLERS ASSOCIATION
1620 I STREET NW
SUITE 701
WASHINGTON DC 20006

BELL ATLANTIC TELEPHONE COMPANY
EDWARD SHAKIN
1320 NORTH COURT HOUSE ROAD
EIGHTH FLOOR
ARLINGTON VA 22201

NYNEX TELEPHONE COMPANIES
JOSEPH DIBELLA
1300 I STREET NW SUITE 400 WEST
WASHINGTON DC 20005

UNITED STATES TELEPHONE ASSOCIATION
MARY MCDERMOTT
LINDA KENT
KEITH TOWNSEND
HANCE HANEY
1401 H STREET NW SUITE 600
WASHINGTON DC 20005

FLEISCHMAN AND WALSH LLP
COUNSEL TO
LCI INTERNATIONAL TELECOM CORP
1400 SIXTEENTH STREET NW
WASHINGTON DC 20036

ACC LONG DISTANCE CORP
DANA FRIX
TAMAR HAVERTY
SWIDLER & BERLIN CHARTERED
3000 K STREET NW SUITE 300
WASHINGTON DC 20007

IXC LONG DISTANCE INC
GARY L MANN
DIRECTOR - REGULATORY AFFAIRS
IXC LONG DISTANCE INC
98 SAN JACINTO SUITE 700
AUSTIN TX 78701

AT&T CORP
MARK C ROSENBLUM
PETER H JACOBY
JUDY SELLO
ROOM 3245G1
295 NORTH MAPLE AVENUE
BASKING RIDGE NJ 07920

AT&T CORP
GENE C SCHAERR
DAVID L LAWSON
SCOTT M BOHANNON
1722 EYE STREET NW
WASHINGTON DC 20006

ROBERT M MCDOWELL
BRIAN A CUTE
HELEIN & ASSOCIATES PC
COUNSEL FOR
TELECOMMUNICATION ASSOCIATION
8180 GREENSBORO DRIVE
SUITE 700
MCLEAN VA 22102

TELECON LLC
FAYE F HENRIS
KIERAN T MAYS
AMERICA'S CARRIERS TELECOMMUNICATION ASSOC
8180 GREENSBORO DRIVE
SUITE 700
MCLEAN VA 22102

ANNE U MACCLINTOCK
VICE PRESIDENT -
REGULATORY AFFAIRS AND PUBLIC POLICY
THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY
227 CHURCH STREET
NEW HAVEN CT 06510

FROST & JACOBS
THOMAS E TAYLOR
CHRISTOPHER J WILSON
ATTORNEYS FOR CINCINNATI BELL
TELEPHONE COMPANY
2500 PNC CENTER
201 EAST FIFTH STREET
CINCINNATI OHIO 45202

U S WEST INC
ROBERT B MCKENNA
RICHARD A KARRE
COLEEN M EGAN HELMREICH
ATTORNEYS FOR U S WEST
SUITE 700
1020 19TH STREET NW
WASHINGTON DC 20036

JOE D EDGE
TINA M PIDGEON
DRINKER BIDDLE & REATH
ATTORNEYS FOR
PUERTO RICO TELEPHONE COMPANY
901 15TH STREET NW
SUITE 900
WASHINGTON DC 20005

MICHAEL S PABIAN
LARRY A PECK
COUNSEL FOR AMERITECH
ROOM 4H82
2000 WEST AMERITECH CENTER DRIVE
HOFFMAN ESTATES IL 60196-1025